

SUMMARY ANALYSIS OF AMENDED BILL

Author: Keene Analyst: Darrine Distefano Bill Number: AB 2591
 Related Bills: See Prior Analysis Telephone: 845-4142 Amended Date: August 7, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Submit to Department Of Finance Annual Report On Status Of Liquidated And Delinquent Accounts And Efforts By Agency To Collect Those Accounts

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

X AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as amended June 20, 2006.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED June 20, 2006, STILL APPLIES.

X OTHER – See comments below.

SUMMARY

This bill would require state agencies to submit an annual report to the Department of Finance (DOF) on the status of liquidated and delinquent accounts.

SUMMARY OF AMENDMENTS

The August 7, 2006, amendment would prohibit a state agency from contracting with a private non-governmental entity to prepare the annual report to DOF required under this bill.

The August 7th amendment does not resolve the department's implementation considerations. The implementation considerations from the bill as amended May 26th and April 4th, and as introduced February 24th, are repeated below for convenience. The Fiscal Impact is repeated below for convenience as well.

POSITION

Pending.

Board Position:

_____ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
 _____ N _____ OUA _____ X PENDING

Legislative Director

Date

Brian Putler

8/28/06

ANALYSIS

IMPLEMENTATION CONSIDERATIONS

Below is the concern from the August 7, 2006, analysis:

FTB contracts with private entities for the purpose of collecting certain accounts but would not contract with a private entity to prepare this report.

Below is the concern from the May 26, 2006, analysis:

According to the author's staff, the intent of the phrase "a summary of the total" is a report to DOF with the combined total of all liquidated and delinquent accounts. The phrase appears to conflict with the bill's requirement to report each individual item to DOF. Department staff is available to assist the author with language if requested.

Below is concern from the April 4, 2006, analysis:

While the bill defines the term "liquidated," the term needs to be further clarified. FTB uses the terms "discharged," "collected," and "written off" to describe accounts. To avoid redundancy and ambiguity, the department would like further clarification of the term "liquidated" in order to provide the identity, description, and status of the department's accounts as required under the bill.

Below are the concerns from the February 24, 2006, analysis:

It is unclear if the report requires each liquidated and delinquent account to be identified by some distinctive method. The author may wish to clarify how each account is to be identified to avoid the disclosure of sensitive or confidential information such as taxpayer name or social security number.

According to the author's office, the accounts that are to be included in this report are those that are defined in Section 8776 of the State Administrative Manual (SAM). SAM Section 8776 - *Accounts Receivable* -- is defined as a claim against a person, firm, corporation, or other entity for money owed to the State. The author may wish to add language that references Section 8776 of SAM to clarify the types of accounts to be listed in the report.

FISCAL IMPACT

As stated in the February 24, 2006, analysis, the department anticipates that one-time programming and information technology resources will be needed to develop the report. Department costs would be minor and can be absorbed by the department.

LEGISLATIVE STAFF CONTACT

Darrine Distefano
Franchise Tax Board
(916) 845-4142
darrine.distefano@ftb.ca.gov

Brian Putler
Franchise Tax Board
(916) 845-6333
brian.putler@ftb.ca.gov